

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND ELECTRIC)	CASE NO.
COMPANY FOR AN ORDER APPROVING THE)	2011-00380
ESTABLISHMENT OF A REGULATORY ASSET)	

COMMISSION STAFF'S FIRST INFORMATION REQUEST TO
LOUISVILLE GAS AND ELECTRIC COMPANY

Louisville Gas and Electric Company ("LG&E"), pursuant to 807 KAR 5:001, is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due no later than October 28, 2011. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

LG&E shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which LG&E fails or refuses to furnish all or part of the requested information, it shall provide a

written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to pages 2 and 3 of LG&E's application ("Application"). Page 2 states, "[o]n the evening of August 13, 2011, a severe thunderstorm carrying high winds passed through the service territories of LG&E and its sister utility, Kentucky Utilities Company ("KU") (collectively, the "Companies")." Footnote number 3 at the bottom of page 3 states that "KU's restoration costs, while significant, were not as great as LG&E's, and KU is not requesting a regulatory asset for its costs." Provide separately, (1) the capital costs; and (2) the operations and maintenance expenses incurred by KU as a result of the severe thunderstorm (the "Windstorm").

2. Item 9, page 4 of the Application, states, "[a]t their peak, these restoration efforts were carried out by 1,552 employees and contractors."

a. Provide a breakdown of the 1,552 employees and contractors by LG&E, KU, mutual assistance employees, and contractors.

b. Provide a list of contractors and mutual assistance crews that were involved in the restoration process.

3. Item 10, page 4 of the Application, states that 1,492 electric lines were downed and 88 poles were broken.

a. Provide the capital costs incurred by LG&E as a result of restoration efforts due to the storm.

- b. Provide a list of the number of broken poles by size.
- 4.
 - a. Explain whether any transmission lines were damaged as a result of the Windstorm and whether those costs are part of the proposed regulatory asset.
 - b. If there were transmission line restoration costs due to the Windstorm, provide the amount of those costs whether or not they are included as part of the proposed regulatory asset.
- 5. Refer to Exhibit 1 of the Application.
 - a. LG&E's estimate of the Windstorm's restoration costs contains actual and estimated costs. Provide an updated Exhibit 1 based on the most recent information available for estimated and actual costs. Show the date on which the updated costs are based.
 - b. Provide a detailed breakdown of Miscellaneous costs, showing the actual amounts and estimated amounts separately.
 - c. Provide a detailed breakdown of Contingency costs, showing the actual amounts and estimated amounts separately.
 - d. When does LG&E expect to know the amount of the final actual costs?
 - e. Refer to the costs identified as "Estimated Amount Considered Normal Operations." Provide a detailed description of how these costs were determined and calculated.
- 6.
 - a. Provide LG&E's regulatory asset journal entry, including account numbers and account descriptions, recorded for the month of September 2011.
 - b. Provide, when available, all October 2011 journal entries adjusting the amounts recorded in September 2011 for the regulatory asset.

7. Refer to Item 12 of the Application.

a. LG&E states that property and casualty insurance for distribution and transmission storm damage is prohibitively expensive. Explain whether LG&E, given its experience related to Hurricane Ike and the 2009 ice storm, had revisited the issue of carrying storm insurance prior to incurring the additional costs related to this event.

b. In Case No. 2009-00175,¹ LG&E indicated in its responses to data requests² that that it planned to explore the process for performing the underwriting modeling associated with a new electric industry catastrophic coverage program. Provide an update of LG&E's evaluation of the program and related costs to provide catastrophic coverage.

8. Provide a list of regulatory assets currently on the books of LG&E.

a. Include the case number approving the regulatory asset, the reason for the regulatory asset, the total original amount of the regulatory asset, the date amortization of the regulatory asset began, the date amortization of the regulatory asset is to end, and the annual amortization expense.

b. Identify the regulatory assets on the books of LG&E for which the costs are not included in its base rates.

¹ Case No. 2009-00175, Application of Louisville Gas and Electric Company for an Order Approving the Establishment of a Regulatory Asset (Ky. PSC Sept. 30, 2009).

² *Id.* LG&E's Response to Initial Data Request of Commission Staff, Question 4.b., filed June 15, 2009; and LG&E's response to Second Data Request of Commission Staff, Question 2., filed July 7, 2009.



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cc: Parties of Record

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